

Regarding 1.: The list of freight locomotive types appears complete.

Regarding 2.: We affirm the cost estimation provided in the published response to the consultation dated January 24. Consequently, we anticipate that the eligible costs for an ETCS upgrade will be covered at 30 % rather than 50 %.

Regarding 3.: We are uncertain about how to interpret Article 10 and see two possibilities:

1. The article mandates that a locomotive must operate in the Netherlands for at least ten days annually during the first three calendar years after the ETCS installation.
2. The article simply requires a locomotive to be registered in the Dutch National Vehicle register (NVL) for at least ten days annually during the first three calendar years after the ETCS installation.

We lean towards the first interpretation being correct, as indicated in the final paragraph of the quality section of the *Bijlage regeldrukanalyse Tijdelijke subsidieregeling ERTMS goederenlocomotieven*. This interpretation could have negative consequences for our business operations as outlined in response to question 4. Additionally, we would like to clarify what documents (e. g. timetables, network infrastructure registration, etc.) are required to prove that the corresponding locomotives have been operating in the Netherlands.

Regarding 4.: If the first interpretation of Article 10 is correct, it would negatively impact our business operations. As a rolling stock leasing company (ROSCO), we lease freight locomotives for operations not just in the Netherlands, but across Europe. Typically, our leasing contracts exceed a year. However, freight locomotives are routinely subject to maintenance processes. To optimize the usage of locomotives and to ensure an efficient maintenance process, the locomotives of individual leasing contracts are exchanged. Therefore, it is possible that a particular locomotive might operate every day in the Netherlands during the first year and not operate in the Netherlands during the second year because the corresponding locomotive of one lessee has been exchanged with another locomotive of the same type from the fleet. Therefore, the replacement locomotive will run in the Netherlands for the lessee in the second year. We understand the objective of ensuring the availability of ETCS version 2.0 equipped freight locomotives in the Dutch market. Taking into account the deployment scenario of locomotives at leasing companies as described earlier, we recommend the following approaches:

1. Adjusting the regulation from focusing on individual locomotives to the entire fleet of one applicant, for which a funding is granted. Consequently, an average of at least ten operational days in the Netherlands could be established as a requirement for the locomotives within the funded fleet of one applicant.
2. Averaging over a three-year period for each locomotive, resulting in at least 30 days of operation in the Netherlands within the three years post ETCS version 2.0 installation.

These approaches are designed to achieve the objectives of the funding program without adversely affecting the business operations of leasing companies.

Regarding 5.: We understand that the program intends to fund 50 % of the costs for equipping locomotives with ETCS version 2.0 up to a certain limit depending on the locomotive type. However, Article 9 mentions a fixed amount. Could you please clarify this aspect?

Regarding 6.: We have questions or comments covering the following topics:

#### **Demonstrably Incurred Costs:**

We understand that according to Article 6, the demonstrably incurred costs encompass all expenses related to upgrades after January 1, 2023, regardless of the invoice or payment dates. This would cover down payments made prior to January 1, 2023, for upgrades carried out after this date. This interpretation is consistent with the premise that locomotive owners should have recognized the growing need for ETCS version 2.0 as early as 2017. To comply with this requirement, locomotive

owners have entered contracts with Original Equipment Manufacturers (OEMs), often necessitating down payments before January 1, 2023.

#### **Combination of funding:**

**Question 1:** Our understanding of combining this funding with previous funding from CEF calls is as follows: This program offers funding for 50 % of the eligible cost categories (theoretical maximum funding volume), up to the amounts detailed in the appendix to Article 6. Any prior funding received from CEF will be deducted from the theoretical maximum funding volume. If the theoretical maximum funding volume still exceeds the amount detailed in the appendix to Article 6, the fixed funding amount according to the appendix to Article 6 applies.

#### **Example:**

Eligible cost for the upgrade of TRAXX locomotive to ETCS version 2.0: 400.000 EUR

Theoretical maximum funding volume: 200.000 EUR (= 50 %)

CEF-funding: 55.000 EUR (unit contribution serial upgrade (software + hardware) international for general envelope)

Adjusted theoretical maximum funding volume: 145.000 EUR

Applicable cap for funding according to appendix to Article 6: 115.000 EUR

**Funding under the proposed program: 115.000 EUR**

This interpretation aligns with the EU regulation against double funding. Furthermore, it ensures that not more than 50 % of the eligible cost are funded.

**Question 2:** Do locomotives funded under CEF 2017 fall within the scope of Article 5.3? If so, could you please specify which interpretation applies:

1. Article 5.3 completely excludes locomotives funded under CEF 2017 from this program.
2. Article 5.3 has no impact on costs that CEF 2017 does not cover.

#### **Deadlines for application**

We understand that we are eligible to apply for funding for any eligible locomotives we wish to include in this program as soon as it becomes effective until April 1, 2025. Could you clarify if there are additional prerequisites that must be met prior to submitting our application for funding?

#### **Determination of eligible cost**

We seek clarification on the method to substantiate/prove the expenses incurred for the ETCS upgrades across each cost category. We would highly welcome fixed amounts/lump sum costs to calculate the expenses for downtime of locomotives and to calculate the cost for labor.

#### **Conditions for funding according to Article 5**

We agree with the reasoning that locomotive owners should have anticipated the necessity for ETCS. However, the specific deadline of July 14, 2017 is unclear to us. Like many companies, we operate on annual planning and revision cycles, where we identify ETCS version 2.0 as a requirement. The corresponding actions (e. g. conclusion of locomotive purchasing contracts) are implemented during the following year. In this context, it is also important to bear in mind that contracts usually have to be negotiated over a long period of time. Therefore, a yearly deadline, such as January 1, 2018, would seem more appropriate to us.

#### **Language of applicative degree and guidelines**

Considering the international character of rail freight transport, we would highly appreciate if all relevant documents would be published also in English.